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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

Deployment of Wireline Services Offering    )  
Advanced Telecommunications                )  
Capability                                    )

CC Docket No. 98-147

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**COMMENTS  
OF  
KIESLING CONSULTING LLC**

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## **I. EXECUTIVE SUMMARY**

Kiesling Consulting LLC (Kiesling) is a consulting firm representing over 250 incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs). After reviewing the Federal Communications Commission's (Commission) Notice of Proposed Rulemaking in this docket (NPRM), Kiesling advises the Commission to consider the unique characteristics of rural ILECs when making its determinations on the proposed separate affiliate structural separation requirements, collocation of equipment, allocation of collocation space, shortening of the collocation interval, and management of loop spectrum. The Commission's decisions on these matters may impede the delivery of advanced services in the rural, high cost areas.

Kiesling contends that several of the proposed structural separation requirements would discourage rural ILECs from deploying advanced services because they are far too restrictive for rural ILECs given their limited resources and minimal demand. For example, rural ILECs neither have access to the financial resources to separately own switching and transmission equipment nor have the human resources available in the rural areas for separate employees and executive officers. If these requirements were mandated, rural ILECs and their affiliates may not deploy advanced services because they may not be able to justify the expenditure given the limited revenue potential. Furthermore, the Commission's own accounting rules provide adequate protection against any improper cost allocation. Kiesling also contends that the structural separation requirement regarding credit puts the rural ILEC affiliate at a competitive disadvantage. The RUS mortgage covenants and debt restrictions for rural ILECs should adequately safeguard ratepayers and lenders from default.

Kiesling also supports many of the tentative conclusions regarding collocation of equipment but does have some reservations. Specifically, Kiesling supports (1) allowing CLECs to place transmission equipment that has limited switching capability in collocation space since the distinction between switching and multiplexing equipment is becoming nonexistent; (2) not requiring the collocation of equipment for the provisioning of enhanced services; and (3) requiring CLECs to collocate the same and equivalent equipment as the ILECs. Kiesling, however, disagrees with the tentative conclusion that an advanced services affiliate should not be permitted to collocate switching equipment at the central office if there is only room for one carrier to collocate switching equipment. From a parity perspective, the ILEC should only be required to make the same terms and conditions available to all competing carriers, including the ILEC affiliate, on a first come, first served basis.

Kiesling is also concerned with several of the proposals to minimize the collocation space needed by competing carriers. While Kiesling agrees that shared use of collocation space should be required, it should only occur with the mutual consent of the tenants. Kiesling also supports allowing collocation cages of any size but does not support cageless collocation for rural ILECs because they do not have the resources to provide adequate security. Kiesling also agrees that ILECs should not be allowed to take up collocation space with obsolete equipment. The term Non-critical office space should also be clearly defined otherwise CLECs will be presented with the opportunity to contest any office space utilized by the incumbent within the central office. Regarding the means by which the collocation ordering interval can be shortened, Kiesling recommends that ILECs should only be required to let CLECs know during interconnection negotiations whether or not there is any collocation space available.

Kiesling also recommends that the loop spectrum management issues should be decided by the market rather than by regulation. ILECs have an incentive to deploy DSL services and are subject to the same constraints as CLECs concerning spectral incompatibility. On a final point, Kiesling does agree that two different carriers should be allowed to offer different services over the same loop but does not support requiring two carriers to offer different services over the same loop.

## II. INTRODUCTION

Kiesling Consulting LLC (Kiesling) is a management consulting firm offering services to a diverse group of telecommunications clients. Specifically, Kiesling represents over 200 incumbent local exchange carriers (ILECs), over 50 resale and facility-based competitive local exchange carriers (CLECs) including those affiliated with ILECs, and several wireless carriers. Kiesling's ILEC clients are mainly rural carriers located throughout the United States. Many of these ILEC clients are actively entering neighboring Bell Operating Company (BOC) and GTE serving areas through separate subsidiaries that are certified and operating as a CLEC. Kiesling's comments, therefore, reflect the interests of our entire client base, not simply the ILEC or CLEC point of view.

In drafting the 1996 Telecommunication Act, Congress took note of the special needs of rural telecommunications carriers.<sup>1</sup> For example, Congress enacted § 251(f) to provide rural ILECs with an exemption from the obligations in § 251(c). The Commission also recognized the

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<sup>1</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, *codified at* 47 U.S.C. §§ 151 *et seq.* Hereinafter, all citations to the 1996 Act will be to the 1996 Act as it is codified in the United States Code. The 1996 Act amended the Communications Act of 1934. Hereafter, we will refer to the Communications Act of 1934, as amended, as the "1996 Act" or as the "Act" and any reference to 47 U.S.C §§ 153, 251, and 272 shall be referred to as § 153, § 251, and § 272, respectively.

special needs of these rural carriers in its *Universal Service Order* by specifically excluding these carriers from having their universal service support based on forward looking economic cost until at least the year 2001.<sup>2</sup>

In these comments, Kiesling addresses numerous proposals and tentative conclusions that the Commission is seeking comment on in the NPRM. In general, the Commission needs to address the unique needs of rural ILECs separately from those of large carriers in regard to the deployment of advanced services. In the following sections, Kiesling sets forth its position and recommendations on the proposed separate affiliate structural separation requirements, collocation of equipment, allocation of collocation space, shortening of the collocation interval, and management of loop spectrum.

### **III. PROPOSED SEPARATION REQUIREMENTS MAY DETER THE DEPLOYMENT OF ADVANCED SERVICES IN RURAL AREAS**

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<sup>2</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, (1997)( *Universal Service Order*) §§ 291-318.

In the NPRM, the Commission proposes an optional alternative pathway for the ILECs that would allow separate affiliates to provide advanced services without being burdened with ILEC regulation. Specifically, the Commission sets forth the same requirements found in § 272(b) and the *Non-Accounting Safeguard Order* for an affiliate of a BOC to be truly separate from the BOC.<sup>3</sup> While Kiesling supports the Commission's intent to ensure that an advanced services affiliate will not derive an unfair advantage from its relationship with the incumbent, Kiesling is concerned that imposition of these same BOC separate affiliate structural separation requirements (hereafter referred to only as separation requirements) is overly burdensome for rural ILECs where there are limited resources and minimal demand for advanced telecommunications services. As discussed below, Kiesling argues that several of these separation requirements will impede the delivery of advanced services in the rural, high-cost areas.

As stated earlier, Kiesling represents over 200 ILECs that meet the definition of a rural telephone company pursuant to § 153(37). The majority of these ILECs have fewer than 1,500 employees, are independently owned, are not dominate in the provision of advanced services, and have limited resources. Contrary to the Commission's position in the NPRM and in other proceedings<sup>4</sup>, Kiesling argues that our clients are small businesses within the definition of the

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<sup>3</sup> *Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended*, CC Docket No. 96-149, First Report and Order and Further Notice of Proposed Rulemaking (*Non-Accounting Safeguards Order*) at § 147 - 194 and CC Docket No. 98-147 Memorandum Opinion and Order, and Notice of Proposed Rulemaking (NPRM) at § 96.

<sup>4</sup> FCC 98-188 NPRM at § 222.

Regulatory Flexibility Act.<sup>5</sup> As such, the Commission should consider the potential impact of these proposed regulations on rural ILECs and the deployment of advanced services in rural areas.

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<sup>5</sup> See 5 U.S.C. § 603.



As stated in the NPRM, ILECs should ~~Anake~~ make their decision to invest in and deploy advanced telecommunications services based on the market and their business plans, rather than regulation.<sup>6</sup> Some may argue that the rural exemption provisions under § 251(f) will ensure that rural ILECs are not economically burdened. Kiesling's experience and recent decisions by State Commissions in Iowa and Wisconsin, however, leads us to believe that rural ILECs will not be afforded protection from § 251(c) requirements for local or advanced services which leaves the rural ILEC with the only reasonable business option of creating an affiliate to provide such services.<sup>7</sup> Kiesling questions whether that business option is even realistic given the limited resources of rural ILECs and their affiliates.

As alluded to above, a major concern for rural ILECs is their limited resources to compete with competitors in the rural areas. Specifically, rural ILECs or their affiliates, lack the financial resources to compete against larger, well-financed market participants with well-recognized names. These larger competitors have the ability to finance promotional campaigns as well as the ability to leverage their high-profile brand names. For example, AT&T of Wisconsin markets their services in rural areas by offering one hundred dollars (\$100) as an incentive for customers to switch services from the rural ILEC affiliate providing long distance service to AT&T of Wisconsin. The financial incentives to switch alone amount to more than the total annual marketing budget of most rural ILEC affiliates for marketing all of their telecommunications services. This does not even take into account the massive amount of money these large

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<sup>6</sup> NPRM at & 13.

<sup>7</sup> Public Service Commission of Wisconsin docket 05-TI-172 et al, *Investigation into the Request of TDS Datacom, Inc., Pursuant to 47 U.S.C. § 251(f)(1) to Terminate the Rural Telephone Company Exemption of Mid-Plains, Inc.*, Findings of Fact, Conclusions of Law, Interim Order, Final Order, and Certificates (May 14, 1998) and Iowa Utilities Board Docket RET-97-1, Final Decision and Order (December 24, 1997).

providers spend for mass media. In addition to limited financial resources, the human resources of rural ILECs and their affiliates are limited and the minimal demand for advanced services may not adequately justify the hiring of additional staff.

Kiesling is mainly concerned about the impact that three of the proposed separation requirements will have on the business decision of rural ILECs to deploy advanced services through an affiliate. While Kiesling finds the other separation requirements to be reasonable, we contend that the following three proposed separation requirements are burdensome for rural ILECs and their affiliates given their limited resources.

- 3 ILEC must operate independently from its affiliate: As found in the *Non-Accounting Safeguards Order*, the intent of this requirement is to ensure that an affiliate and its competitors have the same level of access to the ILEC's transmission and switching facilities.<sup>8</sup> While many of the larger ILEC affiliates may have the financial resources to own their own transmission facilities or contract to obtain operating, installation, and maintenance functions, rural ILEC affiliates do not have the access to such resources and need the economy of scale and scope associated with jointly owning or obtaining these services from the rural ILEC.

Kiesling is concerned that this separation requirement may deter rural ILECs from deploying advanced services. For example, many of our rural ILEC clients jointly own switching and transmission equipment with their affiliates for the provision of a variety of services. If this separation requirement was mandated for the provision of advanced services on both an interstate and intrastate basis, the rural ILEC affiliate would have to

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<sup>8</sup> See *Non-Accounting Safeguard Order* at & 158.

purchase its own switch and transmission facilities to deploy advanced services. The only other choice would be for the rural ILEC to deploy the advanced services. The rural ILEC, however, may not deploy it because it may not be able to justify the expenditure of the capital for the minimal revenue potential coupled with the obligation to provide these services to competitors on an unbundled basis or at a discount. Similarly, the rural ILEC affiliate may not deploy the advanced services because it too may not be able to justify the expenditure for a separate switch and facilities for the limited revenue potential. The Commission must keep in mind that rural ILECs have a smaller customer base over which to generate enough revenues to recoup their investments.

Kiesling also contends that the Commission's accounting rules (Part 32 USOA and Part 64) provide adequate protection against any improper cost allocation between the joint sharing of equipment. Kiesling argues, therefore, that the economic benefits to consumers from allowing the rural ILECs and their affiliates to derive economies of scale and scope inherent in the integration of equipment far outweighs the potential for anticompetitive behavior.

- 3 Separate officers, directors and employees: As discussed above, many of the rural ILECs cannot afford to hire additional employees or executive officers. In the rural areas, human resources are limited and the minimal demand for advanced services may not adequately justify the hiring of additional staff. As a result, rural ILEC affiliates need to be able to share scarce human resources with their ILEC to justify deploying advanced services. A recent survey of rural ILECs and their affiliates in Wisconsin found that 90 percent of the respondents stated that jointly using employees was an efficient use of the employee work

force and that the provision of service without a joint work force was not economically feasible.<sup>9</sup>

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<sup>9</sup> September 21, 1998 comments of the Wisconsin State Telecommunications Association in the Public Service Commission of Wisconsin(PSCW) Docket 05-TI-158, *Investigation of the Relationship between Incumbent Local Exchange Carriers and Affiliate Companies Operating in Competitive Markets*.

Again, the Commission's accounting rules for allocating the costs of employees and executive officers between the ILEC and its affiliate will provide adequate protection that will ensure that a CLEC is not at an unfair advantage. In addition, the provision of these services between the rural ILEC and its affiliate is controlled by affiliate agreements that are made public and filed with State Commissions and the Rural Utilities Service (RUS) as part of their mortgage covenants.<sup>10</sup> Kiesling contends that an appropriate balance between allowing rural ILECs to achieve efficiencies within their corporate structures and protecting ratepayers against improper cost allocation adequately protects for any potential anticompetitive behavior.

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<sup>10</sup> Rural Services Utilities Mortgage Provisions, Article II and III of the Telephone Loan Contract.

3 Affiliate credit must not contain any arrangement that allows recourse to the ILEC: The intent of this requirement seems to be to protect ratepayers from shouldering the cost of a default by the rural ILEC affiliate.<sup>11</sup> However, as further discussed in the *Non-Accounting Safeguard Order*, it would be inefficient to restrict a BOC from using assets other than its own as collateral since it would force them to operate inefficiently to the detriment of the consumer and competition.<sup>12</sup> As a result, the Commission allowed affiliates to seek credit from the BOC's parent. Unfortunately, many rural ILEC affiliates do not have a similar parent from which to seek such credit. Consequently, this puts the rural ILEC affiliate at a competitive disadvantage considering that many of its competitors can use the financial strength of their parent companies. Kiesling contends that the rural ILEC's mortgage covenants and debt restrictions adequately safeguard ratepayers and lenders without having to impose this separation requirement. Moreover, imposition of this separation requirement places the rural ILEC affiliate at a competitive disadvantage which may result in a business decision by the rural ILEC to not deploy advanced services in rural areas.

On another issue entirely, Kiesling is concerned that individual States will impose additional conditions upon a rural ILEC beyond that ordered by the Commission. Specifically, the Commission indicates that it encourages States to regulate an affiliate the same as any other competing carrier offering advanced services.<sup>13</sup> Kiesling is concerned that individual States will

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<sup>11</sup> See *Non-Accounting Safeguards Order* at & 189.

<sup>12</sup> See *Non-Accounting Safeguards Order* at & 190.

<sup>13</sup> See NPRM at & 116.

place additional conditions on affiliates providing intrastate advanced services. It is the experience of Kiesling that various States have already placed such additional conditions on ILEC affiliates providing advanced services where there is no legitimate reason for doing so. For example, the Public Service Commission of Wisconsin has placed far more restrictive conditions on ILEC affiliates for local exchange services including advanced services than those proposed in the NPRM.<sup>14</sup> These restrictive conditions have deterred rural ILECs from offering service through an affiliate in Wisconsin.<sup>15</sup> The Commission, therefore, needs to establish rules to safeguard against discrimination, but at the same time establish these as maximum requirements to insure that State Commissions do not establish requirements that deter the deployment of advanced telecommunications services in rural areas.

#### **IV. COLLOCATION OF EQUIPMENT**

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<sup>14</sup> Public Service Commission of Wisconsin (PSCW) Docket 05-TI-158, *Investigation of the Relationship between Incumbent Local Exchange Carriers and Affiliate Companies Operating in Competitive Markets*, Proposed Findings of Fact, Conclusion of Law, and Interim and Final Orders ( PSCW Docket 05-TI-158"). Also see the September 21, 1998 comments of Ameritech Advanced Data Services of Wisconsin filed in PSCW Docket 05-TI-158.

<sup>15</sup> September 21, 1998 comments of the Wisconsin State Telecommunications Association in the PSCW Docket 05-TI-158. within these comments, the WSTA conducted a survey that found 34 percent of respondents decided not to create a subsidiary to provide long distance and local exchange services because of the restrictions that were required by the PSCW.

Although some digital loop carriers (DLCs) have limited, intra-nodal switching capability, the primary function of DLCs is the concentration and transport of traffic and as such, should be allowed to be used by CLECs for the purpose of interconnecting with the ILEC's network elements. Kiesling believes that the Commission should require incumbent LECs to allow new entrants to collocate equipment that is used for interconnection and access to unbundled network elements even if such equipment also includes switching functionality.<sup>16</sup> The plain language of § 251(c)(6) does not preclude the use of transport equipment that happens to have some switching capability built in.<sup>17</sup> As the Commission correctly noted in the *Local Competition Order*, "modern technology has tended to blur the line between switching equipment and multiplexing equipment."<sup>18</sup> While some DLCs have limited emergency switching capability built into them, this capability is limited only to the subscribers served off of the DLC and occurs only when there is a break in the fiber between the remote subscriber terminal and the local exchange terminal. The advantages of using a DLC for interconnection are the lower cost of DLC equipment and smaller

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<sup>16</sup> NPRM & 129

<sup>17</sup> 47 U.S.C. § 251(c)(6) COLLOCATION.--The duty to provide, on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, for physical collocation of equipment necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier, except that the carrier may provide for virtual collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations. (Emphasis added)

<sup>18</sup> *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, et al*, CC Docket No. 96-98, First Report and Order, Commission 96-325 (rel. August 8, 1996) (*Local Competition Order*), & 581



space requirements. Therefore, CLECs should be allowed to place transmission equipment in collocation space even though that equipment has limited switching capability and is capable of provisioning advanced services.

Collocation space should also be allocated on a first come, first served basis. Kiesling believes that an advanced services affiliate should be permitted to collocate switching equipment at the central office even if there is only room for one carrier to collocate such equipment.<sup>19</sup> The *Local Competition Order*, which opened up central office space to collocation by competing LECs, has been in force for over two years now. Competing carriers have had plenty of opportunity to negotiate interconnection and collocation agreements with incumbent carriers. In the absence of an order specifically allowing switching equipment to be collocated, the Commission should only mandate that the incumbent carrier make the same terms and conditions available to competing carriers (assuming that space is available) on a first come, first serve basis. Kiesling also recommends that the Commission acknowledge in its rules that rural ILEC space is limited and can be reserved for office expansion which may effectively eliminate the availability of collocation space.

Deployment of advanced services will not be significantly deterred by continuing the current policy of not allowing the collocation of equipment used to provide enhanced services. Enhanced services can be deployed via many different technologies (wireline via LEC or CATV facilities, and wireless terrestrial or satellite) and are not dependent upon LEC facilities to do so.

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<sup>19</sup> NPRM, &131

Kiesling, therefore, supports the Commission's tentative conclusion to continue to decline to require collocation of equipment used to provide enhanced services.<sup>20</sup>

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<sup>20</sup> NPRM, &132

CLECs should be required to adhere to the same network and building specifications as ILECs. To the extent that ILECs do not adhere to Bellcore's Network Equipment and Building Specifications (NEBS) requirements, CLECs should be required to collocate the same or equivalent equipment.<sup>21</sup> However, it should be noted that most rural ILECs, because of RUS mortgage covenants, must comply with significantly higher equipment specifications and state building requirements.<sup>22</sup>

Kiesling, therefore, strongly recommends that, in order to maintain the high quality of service being provided in rural areas, CLECs be required to comply with the same equipment requirements as the rural ILEC in collocated or separate CLEC locations. Allowing a lower quality of equipment for the CLEC will degrade the service to all customers including those of the ILEC customers.

## **V. ALLOCATION OF COLLOCATION SPACE**

Kiesling agrees that ILECs should be required to allow shared collocation. However, shared collocation should only occur with the mutual consent of the tenants. Because of security concerns, the decision to allow shared use of collocation space would rightfully be made by the incumbent tenant, not the ILEC. Conversations with ILEC managers indicate that they do not oppose the shared use of collocation space. The main concern of ILEC managers is that they

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<sup>21</sup> *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, et al, CC Docket No. 98-147, Memorandum Opinion and Order, and Notice of Proposed Rulemaking, Commission 98-188, (rel. August 7, 1998) (ANPRM), & 134

<sup>22</sup> 7 CFR Part 1753, Telecommunications System Construction Policies and Procedures

would be placed in the position of having to guarantee the security of each tenants=collocated equipment.

The Commission should allow collocation of any size collocation cage with no minimum size requirement. We would also point out that smaller size cages will not offer a proportionate reduction in the cost to prepare the collocation space and construct the cage due to economies of scale. However, allowing smaller cages will free up valuable collocation space to other potential competitors.<sup>23</sup>

The Commission should not require cageless collocation in rural ILEC exchanges. Small, rural telephone companies do not have the resources of the large BOCs. Specifically, they cannot afford the lavish security systems, such as concealed security cameras or badges with computerized tracking systems needed to track the whereabouts of CLEC employees. Rather, rural ILECs will need to dispatch an employee from his/her regular duties in order to escort CLEC employees while they are in the central office. Unfortunately, rural ILECs do not have the human resources to provide these escort services as evidenced by the fact that in 1995 the average RUS borrower had only 27 employees.<sup>24</sup>

Kiesling agrees with the Commission that ILECs should be required to remove obsolete equipment and non-critical offices in central offices to increase the amount of space available for collocation.<sup>25</sup> However, the term Non-critical office space=should be clearly defined otherwise CLECs will be presented with the opportunity to contest any office space utilized by the

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<sup>23</sup> We are assuming that a CLEC would occupy a standard 10 ft. by 10ft. collocation cage whether the CLEC required all of the space or not.

<sup>24</sup> *1995 Statistical Report Rural Telecommunications Borrowers*, United States Department of Agriculture, Rural Utilities Service, International Publication 300-4, p.39.

<sup>25</sup> NPRM, & 142

incumbent within the central office. Kiesling believes that current rules are sufficient to address this problem i.e. when a carrier claims that there is no space available for collocation, the carrier must submit a detailed floor plan to the State Commissions.<sup>26</sup> State Commissions are better suited to arbitrate office usage disputes.

## **VI. SHORTENING THE COLLOCATION ORDERING INTERVAL**

ILECs should only be required to let CLECs know during interconnection negotiations whether or not there is any collocation space available. Incumbent carriers are justified in not allowing CLECs to submit a request for collocation before an interconnection agreement is reached. Incumbent carriers incur significant costs in preparing collocation tariffs and collocation space. If an agreement on interconnection terms cannot be reached or the CLEC decides not to pursue interconnection, the incumbent would be left with the bill for the costs of processing the request for collocation space. With advance knowledge of the availability of collocation space, CLECs will have the opportunity to readdress their business plan, if needed.

## **VII. LOOP SPECTRUM MANAGEMENT**

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<sup>26</sup> *Local Competition Order*, & 602

The Commission should not impose any National Standards regarding spectrum management. As we pointed out in our comments in CC Docket No. 98-146, spectral incompatibility is one of the problems with DSL that is causing ILECs to move slowly and carefully in their deployment of DSL.<sup>27</sup> Some forms of ADSL cannot be placed in the same binder group as an existing T1 circuit because of interference. The American National Standards Institute (ANSI) is currently working on this problem and a standard. The Commission should let this issue be decided by the market not by regulation. ILECs have an incentive to deploy DSL services and are subject to the same constraints as CLECs concerning spectral incompatibility. Just as with long loops, loops with bridged taps, and loops with load coils, T1s in binder groups is just one more problem that prevents DSL from being deployed to every customer. The Commission needs to better educate itself with regard to this issue before it advocates national standards as a possible solution. This problem can also be overcome by using other varieties of DSL, which do not pose spectral comparability problems, such as those that rely upon CAP, 2B1Q, or QAM modulation schemes.<sup>28</sup>

Kiesling agrees with the Commission that two different carriers should be allowed through negotiations to offer different services over the same loop. However, Kiesling does not support requiring two carriers to offer different services over the same loop. This is an example of novel marketplace innovation and cooperation between providers. In discussions with rural ILEC managers, we found that only a small number oppose the sharing of the loop in this manner.

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<sup>27</sup> See, Comments of Kiesling Consulting LLC at page 4 (September 14, 1998).

<sup>28</sup> CAP B Carrierless Amplitude/Phase; 2B1Q B 2 Binary 1 Quaternary, this is the ISDN line coding scheme; QAM B Quadrature Amplitude Modulation

## VIII. CONCLUSION

Kiesling advises the Commission to consider the unique characteristics of the rural ILECs before making its determinations on separation requirements, collocation equipment, allocation of collocation space, collocation ordering interval, and loop spectrum management as they relate to the deployment of advanced services. For the above-mentioned reasons, the Commission should not adopt structural separation requirements that would deter rural ILECs and their affiliates from deploying advanced services and should reconsider many of its proposals and conclusions regarding collocation of equipment, allocation of collocation space, shortening the collocation interval, and loop spectrum management. The Commission must consider the impact of each of these proposals and conclusions on the rural ILECs because such decisions may impede the delivery of advanced services in the rural, high cost areas.



Respectfully submitted,

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